

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6316

BILL NUMBER: SB 123

NOTE PREPARED: Dec 7, 2008

BILL AMENDED:

SUBJECT: Homeowners Association Election Disputes.

FIRST AUTHOR: Sen. Waltz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the parties to a dispute involving the election of a director or an officer of a homeowners association or condominium association to attempt to resolve the dispute through the use of mediation before bringing an action in a court. The bill provides that, if the parties cannot resolve the dispute and an action is brought in a court, the court: (1) may, on its own motion; and (2) shall, upon the motion of any party to the dispute; refer the case to any appropriate type of alternative dispute resolution selected by the court under the Indiana Supreme Court Rules for Alternative Dispute Resolution.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* If the bill were to reduce the number of civil suits filed, the state's share of court fee revenues would decrease.

Background: *Court Fee Revenue-* A civil costs fee of \$100 is assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Background: Court Fee Revenue-* County general funds receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.